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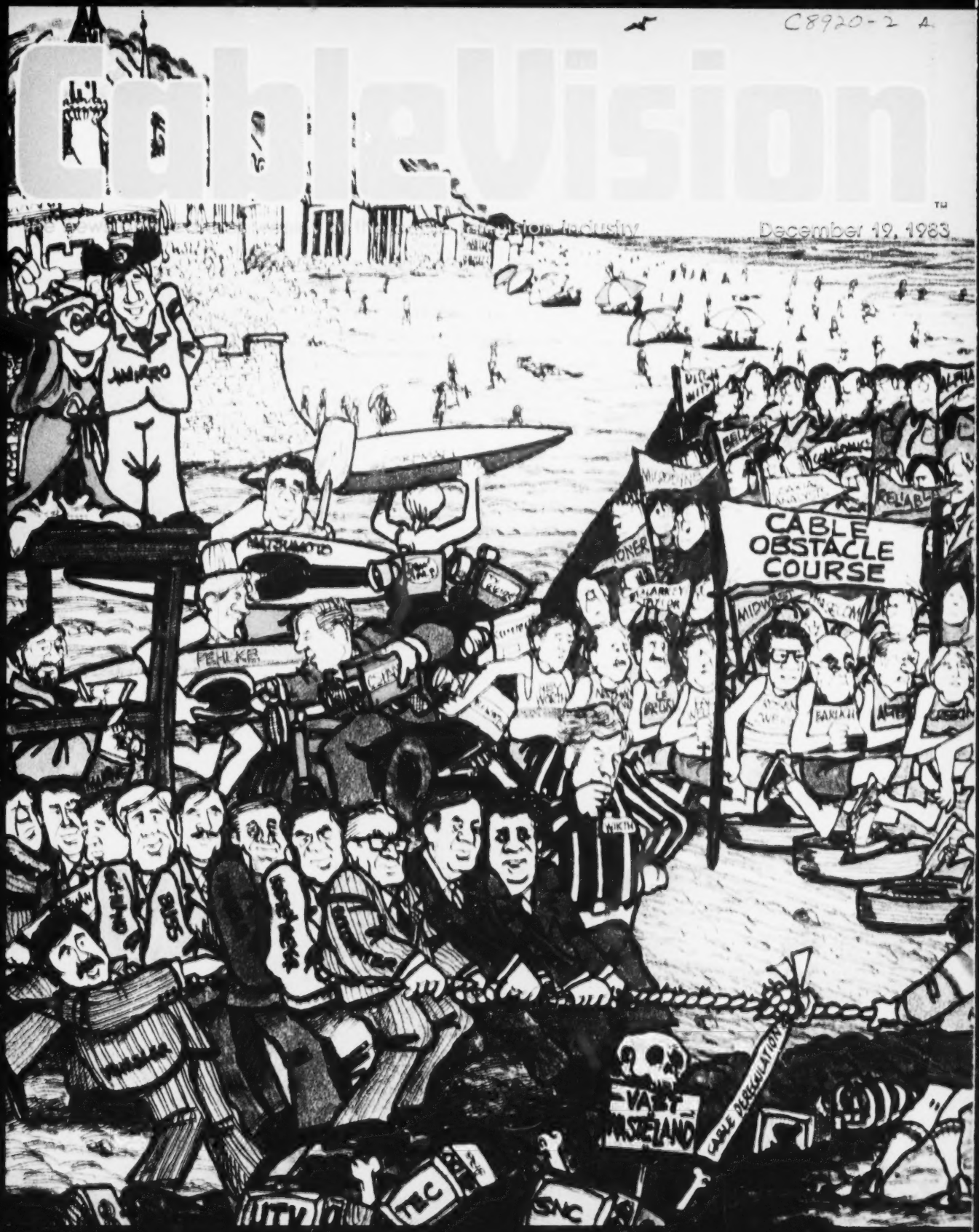
CableVision

TM

The television industry

December 19, 1983



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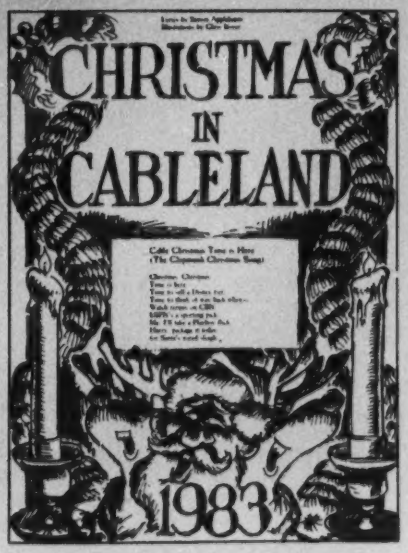


Christmas in Cableland

Familiar carols with a cable twist are offered with good cheer. **Page 135.**

New networks

Two new basic cable networks are scheduled to make their launch plans public on the first day of the Western Show. **Leading the week, pages 25-32.**

Oak launches hardware

Oak introduces new addressable transmission hardware with signal security provisions on the eve of the Western Show. **Leading the week, pages 25-32.**

Wheeler reigns through '85

The NCTA board extends President Tom Wheeler's contract through Nov. 1, 1985. **Leading the week, pages 25-32.**

Wirth confronts cities

The League of Cities officially backs off from the House cable bill at its annual meeting, despite defense offered by its author, Rep. Tim Wirth. **Leading the week, pages 25-32.**

The art of negotiation

Selling films to pay TV has its own elaborate set of rituals. **Page 37.**

Emergency system considered

ELRA Group studies ways to extend the federal Emergency Broadcast System to cable. **Page 38.**

HBO wary of packaging

Marketing execs think some operators may be ignoring the a la carte push. **Page 45.**

Vidtel unveils 'Cableteria'

Mobile cable promotion unit seeks industry support for its '84 tour. **Page 45.**

AGB may test 'PeopleMeter'

British media research company seeking funding to test electronic diary by '84 in the United States. **Page 53.**

Newspapers head into cable

New study points to press preparation for future telecommunications technologies. **Page 56.**

Mobile uplink team

Tom and Aimee Sheddan operate traveling satellite uplink company called American Uplinks. **Page 56.**

Arizona SMATV suit

Legal ramifications remain uncertain for SMATV operators nationwide. **Page 68.**

NCTA publishes theft primer

Tips on theft-bill passage, press releases and sub letters are featured in the new book. **Page 68.**

Coping with cable's basics

Programming shakeouts, SMATV, translators and DBS are the topics on system operators minds as the Western Show swings into operation. Twelve operators share their views on the industry and the specific challenges in their areas. **Page 70.**

Thriving through innovation

Youthful upper management and a free-flowing style have contributed to Falcon's growth. **Page 90.**

Problematic Olympic coverage

Cable companies look ahead to the problems that are inherent to coverage of '84 event and future meets. **Page 127.**

About the cover

The Battle of the Cable Stars is the theme of this year's Western Show cover. Illustration by Rob Pudim.

This week in PLUS

In this issue, *CableVision Plus* explores the how-tos of two aspects of running a cable system. First, we look at why more systems and MSOs are turning to telemarketing. Door-to-door sales still are the most effective way to sell most new subscribers, but telemarketing can work well when door-to-door isn't possible because of franchise stipulations, or when upgrading current subscribers . . . "I don't care if you have 1,000 subscribers. You *need* a computer." That's what one operator says, and more and more operators are agreeing with him. Many still suffer from "computer anxiety," but the value of having a computer to do the day-to-day work at a system is becoming more apparent. **Pages 103-126.**

Nickelodeon ratings scored

Management is satisfied with reported audience shares as ad-supported service begins

NEW YORK—Monitored by Nielsen since the beginning of October, Warner Amex Satellite Entertainment's Nickelodeon children's service has garnered what its management deems respectible ratings—key to the service's recently-begun foray into advertiser-supported realm. NICK also is limiting what ad people term the "intrusiveness" of its child-directed pitches.

According to Nielsen Home Video Index measurement based on a subscriber estimate of 16.7 million potential cable homes, the service averaged a 1.0 household rating in NICK homes with at least one person under 18 years of age and an average 1.3 rating in homes with at least one person under 12 years. For total homes, NICK's rating was 0.6.

The figures were based on NICK's entire 14-hour programming day, not on dayparts. WASEC had not previously publicized that NICK was on the meter, although ad executives confirmed it to *CableVision* (*CV*, 10/17/83, p. 30).

Also, NICK Vice President and General Manager Cy Schneider confirmed that advertisements, which began to appear on the service in October, will be interspersed within programming in the afternoon 3 p.m. to 7 p.m. time period. But, he stressed, there would only be one program interruption of about 2½ minutes, for both ads, promos and IDs, in a single half-hour.

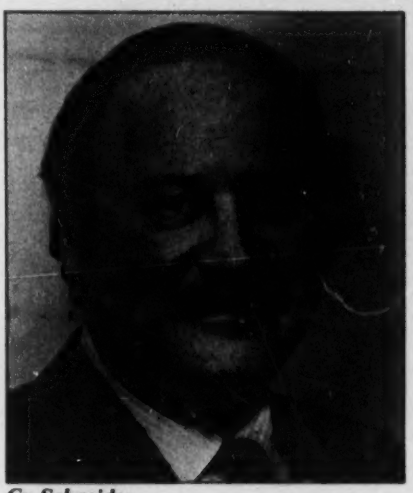
Significantly, in the early morning "preschool" hours, NICK officials have elected to "break in" to programming only on the half hour, and not within half hours.

Previously, NICK had said national advertisements would begin to be accepted in January. But, Schneider said, several major advertisers requested to buy time before that date and were accomodated. They include Quaker Oats Co., which had purchased 10-second "underwriting" promos prior to the move to national advertising; Mars/M&M candies; Kellogg's cereals; Milton Bradley toys; Smurfs and Walt Disney records; The Disney Channel; Hostess cakes; Activision video games; and Warner Lambert's Bubblicious Bubble Gum. He said the editing process to allow ad avails limited the number available before the new year.

WASEC had announced that local avails on NICK were available as of this fall. In the "pre-school" morning hours, NICK will have four national minutes and one local minute per hour; in the afternoon block, it will carry seven national minutes and one local minute hourly.

Commercial lengths of 30-, 60-, and some 90-second spots will be cablecast, Schneider said. He said that after consultation with educational and public interest groups, WASEC is following its own "internal" children's advertising guidelines. He declined to detail the guidelines, but said some seven or eight spots already have been rejected. He would not state why.

Schneider said it is his hope that the number of commercial intrusions will stay the same "for the foreseable future." He indicated that ad buyers are going along with the plan, primarily because "they want the quality environment, totally unique," that NICK provides.



Cy Schneider

As for commercial considerations possibly affecting the programming—some programming critiques have raised that issue—Schneider firmly rejected such a notion. "Before anybody gets too worried about the quality of the programming, why don't they judge us by what we do, and not what we might do?"

Added Schneider, "Thus far, I haven't had advertisers say they want to change the programming. On the contrary."

—Victor Livingston

Local ad dollars to rise

Marketing firm predicts systems to reap $123 million from local ads in '84

NEW YORK—With some luck, cable systems might pick up some $123 million in local advertising revenues in 1984, compared to a projected $70 million this year. But that amount, large as it is, will be a pittance compared to ad dollars spent in other media.

So concludes a new report on local media trends for the next 12 months released last week by Broadcast Marketing Co. The firm's estimate on cable spending for 1984 was tabulated from data provided by the Cable Television Advertising Bureau and Paul Kagan Associates.

Compared to other media, cable will be at the bottom of the list in terms of local ad dollars spent. Newspapers will collect some $18 billion in revenue, ranking ahead of broadcast TV with $4.8 billion and radio with $4.5 billion, the report estimated. Following those media in allocated dollars in order are weekly newspapers, direct mail, in-store point of purchase, outdoor advertising, magazines and cable.

The company has been keeping track of local cable dollars in advertising since 1980; that year, it estimated $8 million in local revenue for the industry.

Estimates of local media ad expenditures 1980-1984

Year	Broadcast TV	Cable
1980	$2.9 billion	$8 million
1981	$3.3 billion	$17 million
1982	$3.7 billion	$32 million
1983	$4.2 billion	$70 million
1984	$4.8 billion	$123 million

Source: *Major Local Media/Trends and Projections 1935-1984*, Broadcast Marketing Company

Western Show advance

Two proposed cable services are expected to unveil plans for a crowd of 11,000

ANAHEIM, Calif.—The 15th edition of the Western Show gets underway here Dec. 13 with 11,000 people expected, and two proposed cable services to make launch plans known before the first day ends.

Prior to last month, convention organizers had predicted this year's attendance would equal last year's figure of nearly 11,000, or be slightly higher at best. With the pre-Thanksgiving weekend news that pre-registration reached 7,200 people, 15 percent higher than 1982, officials representing the sponsors of the show, the California and Arizona cable TV associations, now believe attendance will easily swell past the 11,000 mark by the time the show ends Dec. 15.

As of last week, 269 exhibitors had signed up for floor space at the show, eclipsing last year's previous record of 243 companies. The group will occupy some 148,000 square feet of space at the city's convention center, home of the Western Show since 1981.

Professional Education Network, one of

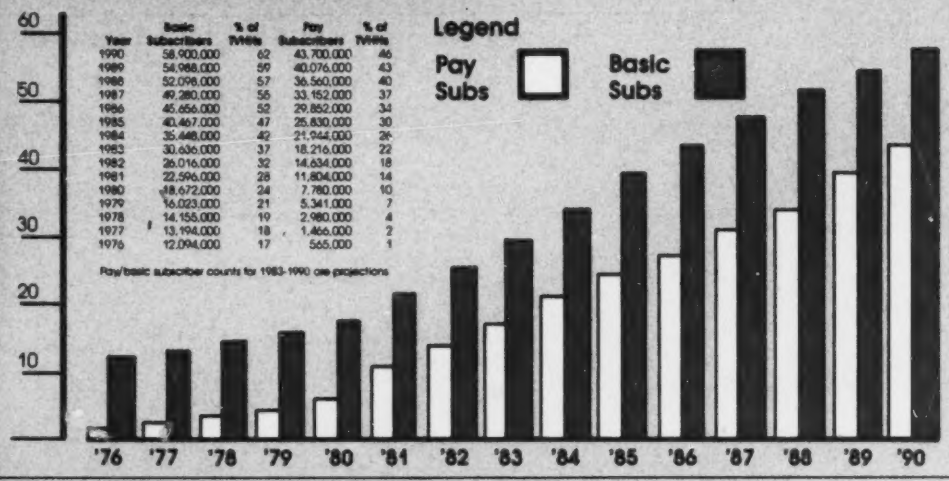
Cablestats

Pay/basic cable growth

Source: ICR, Cable Information Service—a Titsch Communications division.

Year	Basic Subscribers	% of TVHHs	Pay Subscribers	% of TVHHs
1990	58,900,000	62	43,700,000	46
1989	54,988,000	59	40,076,000	43
1988	52,098,000	57	36,560,000	40
1987	49,280,000	56	33,152,000	37
1986	45,656,000	52	29,852,000	34
1985	40,467,000	47	25,830,000	30
1984	35,448,000	42	21,944,000	26
1983	30,636,000	37	18,216,000	22
1982	26,016,000	32	14,634,000	18
1981	22,596,000	28	11,804,000	14
1980	18,672,000	24	7,780,000	10
1979	16,023,000	21	5,341,000	7
1978	14,155,000	19	2,980,000	4
1977	13,194,000	18	1,466,000	2
1976	12,094,000	17	565,000	1

Pay/basic subscriber counts for 1983-1990 are projections



Cable barometer

Television households (TVHH) 83,300,000
Homes passed by cable (HP) . 52,333,336
Percent of TVHH passed by cable 62.7%
Basic cable subscribers . 29,060,756
Percent of TVHH with basic cable 34.5%
Pay cable subs 17,308,666
Percent of TVHH with pay cable 20.5%
Percent of HP with pay cable 33.1%
Percent of basic subs with pay cable .. 59.6%

Figures are as of Aug. 31, 1983.

Cable program services

The following is a ranking by subscribers of the national satellite-fed basic (B), pay (P), audio (A) and text (T) services.

Service (type)	Subs	Affiliates	Start-up date
ESPN (B)	28,500,000	6,878	9/79
WTBS (B)	27,654,000	5,739	12/76
CBN Cable Network (B)	23,006,959	3,900	4/77
Cable News Network	22,626,000	4,184	6/80
USA Network (B)	20,000,000	4,000	9/80
Music Television (B)	15,000,000	1,950	8/81
C-SPAN (B)	14,500,000	1,100	3/79
Cable Health Network (B)	14,011,162	1,401	6/82
Nickelodeon (B)	13,950,000	2,925	4/79
Home Box Office (P)	12,500,000	5,000	12/75
ARTS (Hearst/ABC) (B)	12,300,000	1,939	4/81
Financial News Network (B)	12,000,000	700	11/81
WGN (B)	10,952,071	4,747	11/78
The Nashville Network (B)	10,000,000	1,250	3/83
The Weather Channel (B)	10,000,000	1,000	5/82
Daytime (Hearst/ABC) (B)	10,000,000	755	1/82
Satellite Program Network (B)	8,743,763	460	1/79
Modern Satellite Network (B)	8,640,860	514	1/79
PTL Satellite Network (B)	8,000,000	800	4/78
CNN Headline News (B)	7,793,000	780	1/82
Black Entertainment Network (B)	5,370,930	246	1/79
AP News Cable (T)	4,900,000	426	6/65
Showtime (P)	4,500,000	2,700	7/76
WOR (B)	4,201,380	825	4/79
ACSN: The Learning Channel (B)	3,825,000	459	10/79
Reuters News View (T)	3,500,000	350	1969
Trinity Broadcast Network (B)	3,350,000	280	5/78
SIN Television Network (B)	3,237,200	241	9/76
National Jewish Television (B)	2,823,916	147	5/81
The Movie Channel (P)	2,500,000	2,600	1/80
Cinemax (P)	2,500,000	1,800	8/80
Lifestyle (A)	2,500,000	154	3/81
Electronic Program Guide (T)	2,275,107	123	1/82
Dow Jones Cable News (T)	1,700,000	138	4/81
Eternal Word Television Network (B)	1,627,253	102	8/81
National Christian Network (B)	1,439,153	108	6/80
Country Music Television (B)	1,200,000	45	3/83
WFMT (A)	815,700	169	8/79
The Jazz Network (A)	800,000	13	4/83
Spotlight (P)	765,000	225	5/81
The Playboy Channel (P)	556,000	300	11/82
The Disney Channel (P)	532,000	1,000	4/83
Satellite Radio Network (A)	400,000	50	4/81
Moody Bible Institute (A)	369,580	26	5/82
Home Theater Network (P)	230,000	385	7/77
Bravo (P)	145,000	95	12/80
GalaVision (P)	125,000	180	10/79
SCAN (A)	120,000	19	11/82

Note: Subscriber and affiliate counts are provided by the program services for ICR, Cable Information Services—a Titsch Communications division.

Top 10 MSO overview

1. Tele-Communications Inc.

Call Box 22595, Wellshire Station
Denver, Colo. 80222
(303) 771-8200
Dr. John Malone, president
Number of operating systems: 400
Total basic subscribers: 2,500,000 (9/83)
Total pay subscribers: 1,500,000 (9/83)

2. American Television and Communications Corp.

160 Inverness Dr. W.
Englewood, Colo. 80112
(303) 799-1200
Trygve Myhren, chairman and CEO
Number of operating systems: 110
Total basic subscribers: 2,300,000 (9/83)
Total pay subscribers: 2,080,850 (9/83)
Total homes passed: 4,400,000 (9/83)

3. Group W Cable

888 7th Ave.
New York, N.Y. 10106
(212) 247-8700
Daniel Ritchie, chairman and CEO
Number of operating systems: 152
Total basic subscribers: 1,917,000 (10/83)
Total pay subscribers: 1,438,000 (7/83)
Total homes passed: 3,372,000 (7/83)

4. Cox Cable Communications Inc.

1400 Lake Hearn Dr.
Atlanta, Ga. 30319
(404) 843-5000
David Van Valkenburg, president
Number of operating systems: 66
Total basic subscribers: 1,430,247 (10/83)
Total pay subscribers: 1,505,858 (10/83)
Total homes passed: 2,387,615 (6/83)

5. Warner Amex Cable Communications Inc.

75 Rockefeller Plaza
New York, N.Y. 10019
(212) 484-8000
Drew Lewis, chairman and CEO
Number of operating systems: 119
Total basic subscribers: 1,350,000 (10/83)
Total pay subscribers: 1,290,000 (10/83)
Total homes passed: 2,900,000 (6/83)

6. Storer Communications Inc.

12000 Biscayne Blvd.
P.O. Box 61-8000
Miami, Fla. 33161
(305) 899-1000
Peter Storer, chairman and CEO
Number of operating systems: 122
Total basic subscribers: 1,315,000 (9/83)
Total pay subscribers: 1,365,000 (9/83)
Total homes passed: 2,501,135 (7/83)

7. Times Mirror Cable Television Inc.

2381 Morse Ave.
Irvine, Calif. 92714
(714) 660-0500
Ralph Swett, president
Number of operating systems: 64
Total basic subscribers: 885,311 (9/83)
Total pay subscribers: 705,993 (9/83)
Total homes passed: 1,739,302 (9/83)

8. Newhouse Broadcasting (parent company for following 3 MSOs)

MetroVision Inc.
211 Perimeter Ctr. Pkwy.
Atlanta, Ga. 30346
(404) 394-8837
Henry Harris, president
Number of operating systems: 31
Total basic subscribers: 241,033 (9/83)
Total pay subscribers: 255,824 (9/83)
Total homes passed: 410,476 (6/83)

NewChannels Corp.
P.O. Box 4872
Syracuse, N.Y. 13221
(315) 455-5826
E.R. Vadeboncoeur, president
Number of operating systems: 27
Total basic subscribers: 278,616 (10/83)
Total pay subscribers: 188,905 (10/83)
Total homes passed: 367,500 (10/83)

Vision Cable Communications Inc.
270 Sylvan Ave.
Englewood Cliffs, N.J. 07632
(201) 894-5555
Michael Wilner, president
Number of operating systems: 20
Total basic subscribers: 250,000 (9/83)
Total pay subscribers: 274,000 (9/83)
Total homes passed: 550,000 (9/83)

9. Continental Cablevision Inc.

The Pilot House-Lewis Wharf
Boston, Mass. 02110
(617) 742-9500
Amos Hosteter, president
Number of operating systems: 62
Total basic subscribers: 723,000 (10/83)
Total pay subscribers: 764,000 (8/83)
Total homes passed: 1,320,000 (8/83)

10. Viacom Cablevision

P.O. Box 13
Pleasanton, Calif. 94566
(415) 828-8510
John Goddard, president
Number of operating systems: 19
Total basic subscribers: 699,561 (10/83)
Total pay subscribers: 544,684 (9/83)
Total homes passed: 1,341,200 (9/83)

Municipally owned cable systems

City, state	Basic rate	Channel capacity	Plant miles	Homes passed	Basic subs	As of
Opp, Ala.	$6.00	15	82	2,584	2,593	11/83
Conway, Ark.	$7.50	36	121	7,000	5,353	10/83
Borrego Springs, Calif.	$12.50	12	100	1,500	950	11/83
San Bruno, Calif.	$7.25	26	73	11,500	7,500	11/83
Copper Mt., Colo.	$15.00	21	6	730	730	10/83
Newberry, Fla.	$6.00	12	10	520	150	10/83
Valparaiso, Fla.	$7.00	35	21	1,414	1,300	10/83
Covington, Ga.	$7.95	36	183	6,816	2,650	11/83
Monroe, Ga.	$4.00	25	73	3,600	2,964	10/83
Americus, Kan.	$12.00	10	7	360	272	11/83
Baxter Springs, Kan.	$8.50	12	32	1,900	1,141	10/83
Cawker City, Kan.	$10.00	12	6	273	236	10/83
Columbus City, Kan.	$8.36	12	26	1,600	750	10/83
Marion, Kan.	$12.50	13	16	950	415	10/83
Waverly, Kan.	—	9	6	250	150	5/83
Frankfort, Ky.	$3.50	21	150	12,000	8,900	11/83
Crystal Falls, Mich.	$4.50	21	20	900	820	9/83
Norway, Mich.	$4.75	12	53	1,400	1,300	11/83
Bagley, Minn.	$7.65	20	13	621	327	12/82
Fosston, Minn.	$6.75	12	13	703	580	11/83
Jackson, Minn.	$6.00	12	25	1,607	1,446	8/83
Marble, Minn.	$7.00	35	5	285	230	11/83
Taconite, Minn.	—	12	2	100	100	8/83
Newburg, Mo.	$5.00	6	—	300	250	11/83
Unionville, Mo.	$9.00	30	19	1,000	751	11/83
Cascade Locks, Ore.	$6.75	11	15	429	360	11/83
Lexington, Ore.	$5.00	9	2	100	94	11/83
New Wilmington, Pa.	$6.00	16	7	500	320	11/83
Pitcairn, Pa.	$5.00	35	10	1,700	930	11/83
Rouseville, Pa.	$3.00	9	5	240	240	11/83
Republic, Wash.	$7.25	12	11	430	410	11/83
Sumas, Wash.	$5.25	12	6	500	370	11/83

Source: ICR, Cable Information Service—a Titsch Communications division.

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